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February 6, 2006

Brenda Rogers
Certificate of Need
Michigan Department of Community Health – CON Policy
Capitol View Building
201 Townsend Street, 7th floor
Lansing, MI 48913

Dear Ms. Rogers,


In response to the Notice of Public Hearing and invitation for written comments regarding the proposed Certificate of Need (CON) Review Standards applicable to Psychiatric Beds and Services we are addressing our written comments to you. We have serious concerns regarding the impact that the proposed standards could have on psychiatric services provided in Michigan.

The first concern is directly related to the standard cited in Section 6 (2) (f) that would allow for an applicant to request up to 20 new psychiatric inpatient beds when the bed need for the planning area may only be one. This rule may be applicable to a long term care setting in order to support staffing efficiencies, but from an acute care standpoint, with intense staffing needs, there is absolutely no good rationale for it. A rule essentially allowing for a bed need of one to yield approval for 20 must be revisited as there is no foundation for it in an acute care psychiatric setting. This scenario in fact encourages excess capacity when such capacity is not needed, and further contributes to competition for limited resources, e.g. psychiatrists and registered nurses. In an environment that continues to struggle with containing healthcare costs this scenario, as encouraged and supported by the proposed standard, could seriously jeopardize healthcare costs to an even greater degree without documented patient demand.

A second point of concern relates to the bed need formula that restricts beds by planning area. This is not sound policy when psychiatric hospitals such as Pine Rest are regional in scope and admit patients to our inpatient services from multiple counties including out of state. During calendar year 2005, Pine Rest admitted adult inpatients from 65 different Michigan counties, representing 39% of our total adult inpatient admissions coming from outside of Kent County. The standards must have a different mechanism for acknowledging and recognizing providers such as Pine Rest who are providing treatment to populations of patients from beyond our own local community. The standards currently do not support the recognition of regional providers that are recognized as centers of excellence by consumers and referral sources who continually seek inpatient treatment at our facility. The standards do not recognize our documented experience related to referral patterns as a regional provider of psychiatric services.

We strongly recommend that the proposed CON standards for Psychiatric Beds and Services be reevaluated pursuant to the information contained in our written comments. If you need further information prior to making a final decision regarding the proposed standards please do not hesitate to contact us for further discussion.

Sincerely,



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